

INTRODUCTION

Capital Improvement Programming is a method of planning for the effective and efficient provision of public facilities, infrastructure improvements, major maintenance requirements, and acquisition of property and equipment. The first year of the *Capital Improvement Program* represents City Manager's recommendations to the City Council as the Capital Improvement Program (CIP) budget.

A six-year CIP allows the City Council and citizens an opportunity to view both the six-year capital construction and infrastructure maintenance needs of the City and the Lynchburg City Schools. Viewing these needs enables the City to better plan a financing strategy for capital improvements and annual operating requirements. A six-year CIP also allows for programming of multi-year projects.

CAPITAL IMPROVEMENT PROGRAM FORMAT

The detailed statement of Income, Expenditures, Balances and Financing follows the financial analysis sheets for each Capital Project Fund. The Statements of each individual fund are followed by a Summary of all Fund Projects, which is followed by a Summary of Project Estimates for each Project Class. Reading in order from the left on the Class Total Sheet, each Project Class is followed by:

1. the estimated expense for each year of the six-year program;
2. the total amount to be financed by the City over the entire six-year period;
3. the estimated State and Federal assistance over the six-year period;
4. the estimated gross cost or the total cost to the City including Federal and State assistance over the six-year period;
5. the amount of expenditure prior to the program period by the City including Federal and State assistance;
6. the estimated cost beyond the program period to the City including Federal and State assistance; and
7. the total accumulated project cost.

Utilizing the same format as the Class Totals sheet, the next exhibits consist of a Summary of Project Estimates followed by all Project Detail Sheets for that particular Project Class.

These exhibits constitute the major portion of the *Capital Improvement Program*.

BASIS FOR BUDGETING

The first year of the CIP represents the Capital Improvement Budget for that year. Following adoption by the City Council, the first year of the CIP should be viewed as the capital budget. The CIP is a proposed expenditure plan; the budget adopted by the City Council provides the legal authorization to actually expend City funds.

The CIP is based on a fiscal year calendar. The fiscal year calendar for the City of Lynchburg begins July 1 and ends June 30.

BENEFITS OF CAPITAL IMPROVEMENT PROGRAMMING

The principal benefit of Capital Improvement Programming is that it requires the City to plan its capital needs in concert with available financing over a six-year period. This process contributes to a responsible fiscal policy. Other benefits of Capital Improvement Programming include:

- ❖ Fostering a sound and stable financial program over a six-year period given a set of revenue and expenditure assumptions based on current economic trends;

- ❖ Coordinating various City improvements so that informed decisions can be made and joint programs initiated among City departments in an effort to avoid duplication;
- ❖ Enabling private businesses and citizens to have some assurances as to when certain public improvements will be undertaken so they can plan more efficiently and effectively;
- ❖ Focusing on the goals and needs of the community through the provision of new facilities and infrastructure improvements;
- ❖ Evaluating annually the infrastructure needs of the City to provide for the public health and safety of the citizens of the City; and
- ❖ Providing a logical process for assigning priorities to the various projects based on their overall importance to the City.

CONCLUSION

The CIP is a document dedicated to a process designed to identify both the capital improvement needs and priorities of the City over a six-year period in concert with projected funding levels and City Council's Vision and Principles. Actual programming of projects is dependent upon the fiscal resources available. Funding constraints may preempt the actual inclusion of projects in the current CIP but may be listed as priorities for funding should resources become available.

The Project Detail Sheets on the following pages reflect those projects to be funded in the *FY 2003 – 2008 Capital Improvement Program* as adopted by City Council.